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cc Daron  
Lynn



**Interstate Brick**

a division of PABCO Building Products, LLC

DIV. OF OIL, GAS & MINING

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State of Utah  
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Division of Oil Gas & Mining  
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Subject: Letter of intent following Inspection of lands in T.6.S. R.1.W. Sec 36 and T.7 S., R. 1 W., Sec. 1; Interstate Brick Black Shale Mine, and Rose Exploration Project.

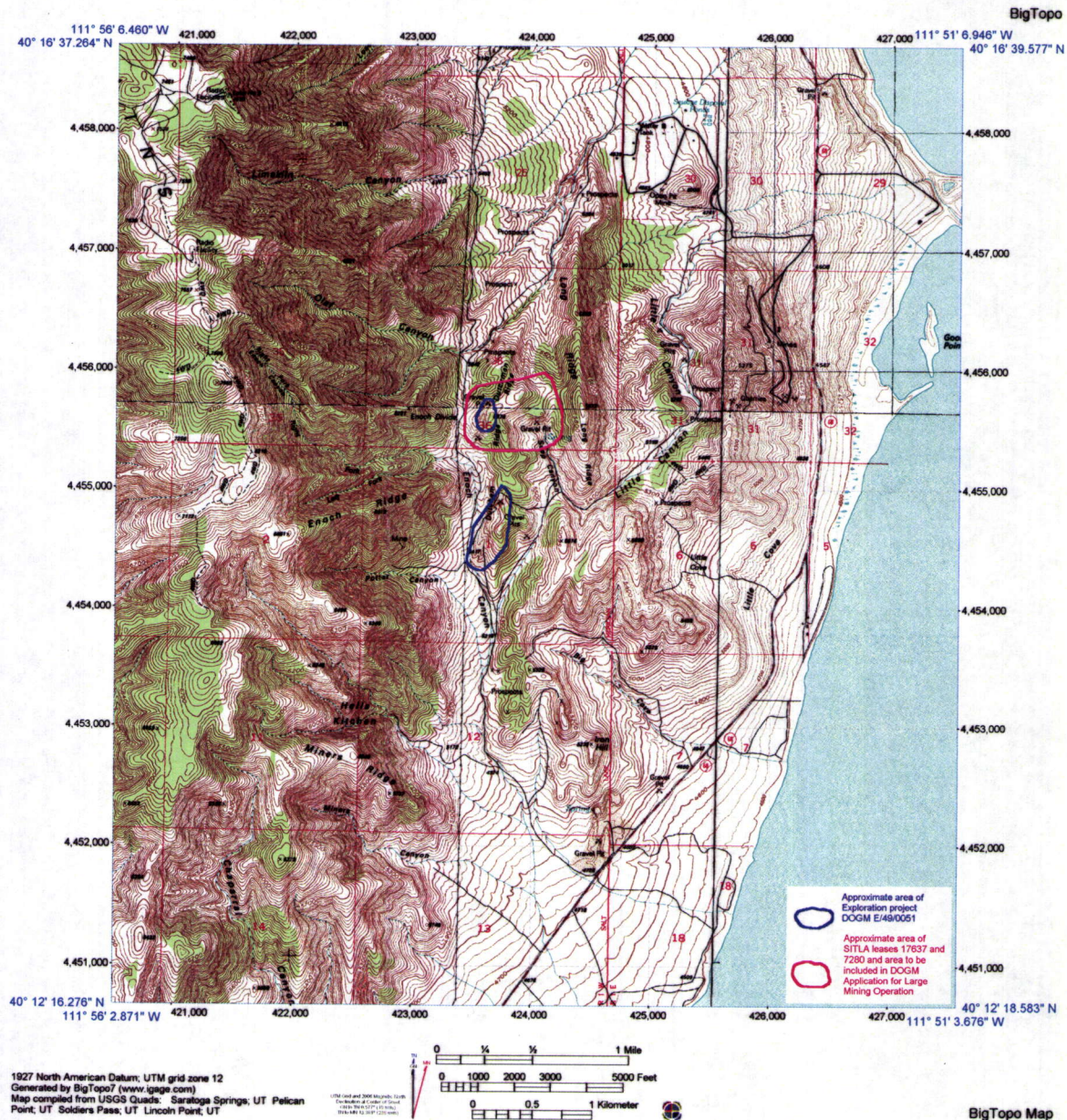
Dear Sirs:

Thank you for meeting with Frankie Delliskave and me on June 7, 2006, in the field, to discuss the projects on the lands referenced in the subject line above and shown on the map on page 2. This letter is to communicate Interstate Brick's intentions based on our conversations and inspections.

- 1) Interstate Brick will submit a Notice of Intent to Commence Large Mining Operations to the Division of Oil Gas and Mining (DOGM), this summer, that will convert Interstate Brick's existing Black Shale mine, S/490/003, located on State and Institutional Trust Lands Administration (SITLA) lease ML 17637, from a small mine to a large mining operation.  
No mining has taken place at this location since the year 2000 and none was planned until a large mine plan was put in place.
- 2) The north part of an old clay mine, located on SITLA lease ML 7280, on which we were previously planning on submitting a Small Mining Notice, will be included in the Large Mine Plan described in 1) above. So the Large Mine plan will include mining activity on both leases ML 7280 and ML 17637. The large mine plan will serve to both update the mine plan for the Black Shale mine and to take the successful exploration project (item 3 below) to the next step toward mining.
- 3) DOGM will receive a request to close Exploration project E/049/0051 by this fall. The existing trenches will be pushed in and seeded. The trenches that were dug are small and have a minimal impact to the area. They were not more than 3 feet deep. The reason for this was because



these were made in the floor of old mining operations. They also did not significantly disturb any vegetation. It was only necessary to dig in a few of the locations requested in the Exploration request. Approximately 5 trenches in Section 1 (BLM land) will be pushed back in. No trenches were made in Section 36 because since it was discovered by us that this had been previously scraped of overburden in previous years, trenching was not necessary.



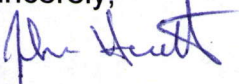
The two clays on the two leases above have differing enough chemical compositions that they are used for making bricks of different colors. Black



Shale is used primarily in making red colored brick and the other will be used in making a rose colored brick. The unique and varying clays found in Utah are one of the primary reasons that Interstate Brick enjoys a nationwide presence in the architectural brick market. Both of these properties are very important parts of the future of Interstate Brick.

We appreciate the cooperation we received to date and look forward to working together as we mine and reclaim in the years ahead.

Sincerely,



John Hewitt

Cc:

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